



Architecture, Building, Construction and Engineering Newsletter

North Texas Export Assistance Center

December 2003/January 2004

For more information on any of these events or leads please contact:

Greg Thompson – (214) 712-1932

Eastern Mediterranean Program

Access Eastern Mediterranean Building & Construction Program is a new and innovative, regional export promotion program offered by the U.S. Commercial Service in Turkey, Egypt, Israel, Jordan, Lebanon and West Bank/Gaza. The program offers U.S. exporters of building/construction equipment, products and services a low cost, effective way to explore market opportunities in all six markets through a single trade mission from April 15th to June 21st, 2004. Commercial Specialists in each market will proactively promote the event to potential agents and distributors in each market. For more information contact your local ACE Trade Specialist.

Environmental Technology Seminar

The Global Trade & Technology Network (GTN), The Greater Houston Partnership and the U.S. Department of Commerce is organizing a half-day Environmental Technologies Seminar. The seminar will be held on January 29th, 2004. This will be an excellent opportunity for ACE firms to learn about government grant programs such as the Immediate Response Grants from US-AEP (USAID) and financing opportunities from the European Bank for Reconstruction and Development (EBRD). Participants will learn about business opportunities in Asia, Central/Eastern Europe and the Texas-Mexico Border.

INTERTRAFFIC - Amsterdam

INTERTRAFFIC Amsterdam 2004 is the largest trade exhibition of the design, management and maintenance for the traffic, transport and parking infrastructure industries. This is an excellent opportunity for you to showcase your company's products/services to a broad spectrum of potential customers. INTERTRAFFIC Amsterdam 2004 expects an attendance of over 25,000 visitors from 100 countries viewing the products and services of some 640 exhibitors. The exhibition will be from March 30th through April 2nd. For more information contact your local ACE Trade Specialist.

Trade Leads

Tender for construction of Tashkent-AERO

The Uzbek government's State Committee for Architecture and Construction, Department for Tenders Organization and its Tashkent Regional Branch have announced a tender on turnkey construction for the Custom's Administrative building of Tashkent-AERO. Companies interested in the bid should meet the following criteria: have working capital in the amount of not less than 20% of the costs of the tender or a bank guarantee for providing stated funds, have production bases, human resources and specialists needed to complete the project, have experience in working on projects similar to the one on the tender, and possess civil legal capacity and competence to sign the contract. For further inquiries and to obtain tender documentation, please contact your local ACE Trade Specialist.

Tender for Plant

The European Bank for Reconstruction and Development (EBRD) has announced an invitation for tenders for the supply and installation of goods for steel pipes to the construction of the South-West Wastewater Treatment Plant in Saint Petersburg (SWTP). The project will construct an aeration pipeline system, suction and pressure pipe system for wastewater, incidental services, O&M manuals and site service (supervision, installation inspection and training for felt welding, surface protection, handling and storage, etc.).

The Purchaser invites sealed tenders from suppliers for the contract. All tenders must be accompanied by a tender security of not less than 2% of the total sum of the tender price or its equivalent in a convertible currency. All registered potential tenders, who have purchased the tender documents, may be inspected at the address above. Tender documents will be sent in electronic version (.pdf file) and by courier, or may be obtained in one set from the address above. In case of discrepancy the text in a hard copy of the tender documents shall prevail. A non-refundable fee of 300 euros or equivalent in a convertible currency shall be paid for delivery of the tender documents. For more information contact your local ACE Trade Specialist.

Airport in Montevideo

At an auction held on August 27, a consortium comprised of American International Airports (US), SEA (Italy), and Grupo Eurnekian (Argentina) won a 20-year concession to remodel and operate Montevideo's Carrasco International Airport. The winning consortium intends to enlarge and rehabilitate the airport's main landing strip. It also plans to build various new facilities, including a platform for aircraft parking, passenger and cargo terminals, and a parking lot. The consortium is primarily seeking proposals from firms interested in providing a full turnkey operation. It is essential that an attractive financing package accompany the proposal. According to the consortium's contract with the Uruguayan Government, the new passenger terminal must be fully operational by 2008. Total investment is expected to be approximately \$80 million during the first four years of the project.

Alternatively, the consortium is willing to consider proposals from suppliers of the full range of equipment needed to outfit the airport. Specifically, it is interested in acquiring such articles as carpeting, passenger lounge seating, luggage belt conveyors, high-tech security equipment, billboards, monitors, etc.

Interested contractors and suppliers may obtain more information from their ACE Trade Specialist.

Market Research

China: Architecture and Engineering Services

One of the main components of China's Tenth Five Year Plan is infrastructure investment. New buildings and infrastructure projects provide enormous opportunities for foreign companies. Foreign building projects and foreign ACE services are seen as superior to local substitutes. The booming real estate market also offers great potential for foreign investment. The 2008 Beijing Olympics and real estate offer many opportunities to US firms. For more information contact your ACE Trade Specialist.

Turkey: Roofing and Siding Materials

The Turkish construction industry ranks as the third most critical business sector in the Republic. With rapid urban expansion, the need for more commercial/office/professional buildings, and a large gap in meeting the demand for housing, experts expect ten percent annual growth in the market over the next three years. Aluminum siding and roofing shingles offer good prospects. Interested contractors and suppliers may obtain more information from their ACE Trade Specialist.

Norway: Construction Machinery

The best prospects for U.S. exports are machinery used for road construction, tunneling, energy development projects, and commercial and residential building projects. Even though the market is very competitive, Norway continuously seeks new and proven technologies for construction and building projects in its mountainous and challenging geography. For more information, interested firms should contact their ACE Trade Specialist.

Commercial Construction in Canada

The ACE services industry represents 11% of Canada's GDP, consisting of more than 230,000 firms and employing over 950,000 people. The Canadian ACE services are an integral component of the Canadian construction industry and an essential contributor to the national economy. In recent years the Canadian ACE industry has experienced significant growth and increased profitability after being relatively inactive during the 1990s.

All three sub-sectors (Architecture, Construction, Engineering) provide specialized expertise needed for design development, obtaining regulatory approval, building the project, maintenance once the project is complete, and demolition at the end of its life.

Of the three sub-sectors that make up the ACE industry, construction contracting is the largest in both revenue-generating activity and in number of companies and employees.

The construction contracting industry in Canada is at its healthiest in over ten years. Estimates predict that total construction activity in Canada will remain strong through the end of 2007. The strongest short-term growth will come from the residential construction sector. The residential market has seen steady growth as housing starts continue to rise while industrial and commercial vacancy rates continue to fall.

Canada's construction contracting industry accounts for about 65% of the total construction GDP. In 2002, the Canadian construction contracting industry was valued at US\$23.6 billion and employed more than 800,000, of which approximately 20,000 are general contractors and 110,000 are trade contractors. During this time residential construction activity increased by 4.7% and reached the value of US\$9.8 billion (GDP value).

The industry is expected to grow by 4.7% to US\$24.7 billion by the end of 2003 and by 6.4% to US\$26.3 billion in 2004. The industry is composed primarily of a large number of small and highly specialized companies with the top 100 construction contractors accounting for approximately one-third of total Canadian construction contracting industry figures.

In 2002, industrial/commercial/institutional (ICI) projects were valued at \$5.5 billion and are expected to increase by 3.8% in 2003 and 4.9% in 2004, while the Canadian construction GDP for infrastructure and other major projects was valued at US\$4.6 billion in 2002 and is projected to grow less than 1% in 2003 and 2004.

The largest construction contracting market in Canada is Ontario representing, on average, 31% of Canada's total construction expenditures. The Province of Alberta is the second largest construction contracting market, representing 20% of Canada's total construction expenditures, followed by Quebec at 19% and British Columbia at 17%.

The commercial construction market looks most promising in the areas of office buildings (new construction and renovation), retail and shopping centers, and recreation and entertainment facilities (such as hotels and casinos). Analysts also predict that the aging of the Canadian population will mean an expanding need for design-to-suit construction projects, with specialized architecture. Industry experts agree that there is enough economic stability and consumer demand to keep annual growth in the Canadian construction contracting market of 1.9% to 2.6% range in the next two to three years.

Despite NAFTA provisions, local regulations, technical requirements, product standards and processes favoring local contractors may impede market entry to Canada. Therefore, it is recommended that U.S. construction contractors should consider partnering with Canadian contractors that are familiar with local market opportunities when establishing a presence in the market. U.S. construction contractors interested in exploring the Canadian construction market should become familiar with the Canadian private and public electronic tender and bidding web sites discussed later in this report.

For more information about opportunities in Canada contact your local ACE Trade Specialist.

For more information, contact:
Greg Thompson
International Trade Specialist
North Texas U.S. Export
Assistance Center
2000 E. Lamar Blvd. Suite 430
Arlington, TX 76006
(214) 712-1932
(817) 277-1313
Fax: (817) 299-9601